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UNITED STATES DEPARTMENT OF AGRICULTURE

OFFICE OF INFORMATION

NATIONAL FARM PROGRAM DATA

1932-1940

VERMONT HIGHLIGHTS

The story of agriculture today in Vermont and in the rest of the Nation is the story of an improved agriculture. Here are the highlights of progress under the National Farm Program in Vermont during the 7 years since it was started:

INCOME: Farmers Make More Money-- 1939 cash income up 40 percent from 1932; buying power 134 percent ~~from~~ 1932; \$12,559,554 loaned by Farm Credit Administration agencies from 1933 to 1939; debts of low income farmers reduced \$375,460 under Farm Security Administration debt adjustment service; 5,575,000 pounds of surplus foodstuffs distributed to needy in last fiscal year.

CONSERVATION: Farmers Are Conserving Their Soil-- 12,903 Vermont farmers participated in the 1939 AAA program, representing about 68 percent of the State's cropland; 28,579 acres covered by 5-year agreements with the Soil Conservation Service in 1939; 476,065 trees distributed for planting during 1939.

SECURITY: Farmers Are More Secure In Their Homes-- 1,114 farm families received rural rehabilitation loans totalling more than \$1,094,700 from 1935 to 1940; \$39,720 made in grants in the same period; 4 tenant families started toward ownership by loans for farm purchases.

DEMOCRACY: Farmers Help Run The Programs-- 14 county AAA offices with 668 county and community committeemen administer AAA program locally; 14 county committees and 2 tenant purchase committees working on program of Farm Security Administration; 13 local National Farm Loan associations and 3 production credit associations in operation; 14 county land-use planning committees formed.

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PART ONE: FARM INCOME

Vermont farmers in 1939 had 40 percent more cash income than they did in 1932. Farm cash income in Vermont was \$40,533,000 in 1939. Government payments accounted for \$1,145,000 of this amount directly. The 1939 cash income was 19 percent less than in 1929, when cash income was \$50,000,000. Cash income in 1932 was \$29,000,000.

Substantial gains in cash income from 1932 to 1939 by the producers of Vermont's most important farm products are shown in the following table:

TABLE I. Cash Income Received By Vermont Farmers For
Principal Commodities Listed, in 1932 and in 1939,
With Amount and Percent of Change

Commodity			Amount of	Percent of
			Increase,	Increase,
	Cash Income ^{1/}		1939 over	1939 over
	1932	1939 ^{2/}	1932	1932
	(Thousands of dollars)		(Percent)	
Milk	18,932	24,748	5,816	31
Cattle and calves	2,305	3,856	1,551	67
Eggs	1,139	1,847	708	62
Maple sugar and syrup ^{3/}	1,539	1,438	- 101	- 7
Potatoes	582	1,176	594	102
Apples	641	809	168	26
Chickens	743	803	60	8
Hogs	413	622	209	51
Truck crops	157	529	372	237

^{1/} Because farm income statistics are being revised, all figures in this table are not strictly comparable. For the most part figures are on a calendar year basis, but there are a few commodities which are on a crop year basis for 1932. All income figures in this table exclude Government payments.

^{2/} Preliminary.

^{3/} Production of sugar decreased 65 percent in 1939 as compared to 1932 and syrup production decreased 7 percent, because of severe damage caused by hurricane in fall of 1938.

1917-18

For the country as a whole cash farm income in 1939, including Government payments, was 82 percent larger than in 1932. Cash farm income was \$4,682,000,000 in 1932 and \$8,540,000,000 in 1939, including \$807,000,000 in Government payments.

Prices of Farm Commodities

Better prices for Vermont's leading farm commodities have put more cash in the hands of the farmers of the State. The improvement in prices received by Vermont farmers for their principal commodities is shown in the following table:

Table II. Average Prices Received by Vermont Farmers
for Commodities Listed, in 1932 and in 1939

<u>Commodity</u>	<u>Unit</u>	<u>1932</u> (Dollars)	<u>1939</u> ^{1/} (Dollars)
Milk (wholesale)	cwt.	1.50	1.85
Hogs	cwt.	4.50	7.00
Beef cattle	cwt.	3.45	5.00
Veal calves	cwt.	5.40	8.30
Sheep	cwt.	2.15	4.05
Lambs	cwt.	4.60	7.80
Corn	bu.	.55	.68 ^{2/}
Oats	bu.	.33	.50
Barley	bu.	.49	.66
Potatoes	bu.	.47	1.05
Apples	bu.	.82	.92
Wool	lb.	.11	.23
Butter	lb.	.26	.30
Chickens	lb.	.153	.162
Eggs	doz.	.224	.249
Maple sugar	lb.	.24	.29

^{1/} Preliminary

^{2/} Includes loan corn at average loan value.

Farm Purchasing Power

Both farm income and prices paid by farmers declined sharply from 1929 to 1932, but farm income declined more. From 1932 to 1939 there was an increase in both farm income and prices paid by farmers, but farm income increased more. Thus farm buying power fell off from 1929 to 1932 and climbed upward from 1932 to 1939.

For the United States as a whole farm buying power in 1939 was 172 percent as much as in 1932 and 99 percent of the 1929 level. In other words, farmers were able to buy about as much in 1939 as in 1929 and 72 percent more than in 1932.

In Vermont farm purchasing power in 1939 was 134 percent as much as in 1932 and 107 percent of the 1929 level. Thus Vermont farmers in 1939 were in a position to buy 34 percent more of the things they needed than in 1932 and 7 percent more than in 1929.

The farmer's buying power can also be shown by the unit exchange value of farm products, namely, the ratio of prices received by farmers to prices paid by farmers for commodities used in living and production. While this measurement is not available on a State basis, Vermont farmers naturally benefited from nation-wide improvement in the exchange value of farm products.

For all farm commodities, the unit exchange value was 26 percent higher in 1939 than in 1932. The following table, comparing 1939 and 1932, shows the unit exchange value of all farm products, as well as specified groups of farm commodities that are important in Vermont.

Table III. Unit Exchange Value of all Farm Products and of Specified Groups of Commodities Important in Vermont.

	: Percent of Base Period : : 1910-1914 : : 1932 : 1939 : :		: Percent : Change : 1939 over : 1932
All farm products	61	77	/ 26
Dairy products	78	86	/ 10
Chickens and eggs	77	78	/ 1
Meat animals	59	91	/ 54

* Ratio of prices received to prices paid by farmers for commodities used in living and production, 1910-14 base.

Farm Real Estate Values

Gains in farm income, prices and buying power have maintained real estate values on Vermont farms. Vermont farmers found their real estate worth about the same early in 1940 as in the first part of 1933, at 101 percent of the 1912-14 average.

For the United States as a whole, in the year ending March 1940 farm real estate values rose to 85 percent of the level before the World War, compared with only 73 percent of pre-war in the year ending March 1933. The 16 percent gain from 1933 to 1940 followed more than a decade of unbroken decline in the value of farm real estate.

Farm Foreclosures, Sales and Bankruptcies

Voluntary sales and trades of Vermont farms were 24.9 per thousand for the year ending March 1939, compared with 27.4 per thousand for the year ending March 1933.

The number of forced farm sales in the State was 17.1 for the year ending March 1933 and 17.3 per thousand for the year ending March 1939.

Farm bankruptcies in Vermont dropped from a total of 27 in the year ending June 30, 1933 to 5 for the fiscal year ending June 30, 1939.

In the United States as a whole, voluntary sales and trades of farms rose from 16.8 per thousand in the year 1933 to 28.2 per thousand in the year ending March 1939, and forced sale of farms declined from 54.1 per thousand to 16.8 per thousand in the same period; farm bankruptcies in the entire country decreased 76 percent from 1933 to 1939.

All Phases of Farm Program Contribute to Income Improvement

Farmers of Vermont received \$456,000 in conservation payments under the 1937 program, \$519,786 under the 1938 program, and an estimated \$604,788 under the 1939 program, including county association expenses.

For the United States as a whole, payments under the 1939 conservation program totalled \$506,179,199, including county association expenses.

Federal Credit Aids Agriculture

Farmers in Vermont obtained \$12,559,554 in loans from institutions under the supervision of the Farm Credit Administration from May 1, 1933, through December 31, 1939. In addition, credit was advanced to a considerable number of farmer cooperatives and privately organized agricultural financing institutions.

The Federal Land Bank of Springfield making long-term first mortgage loans had \$4,640,916 outstanding in Vermont on December 31, 1939, including loans made prior to the organization of the Farm Credit Administration. In addition, \$1,441,017 of first and second mortgage Land Bank Commissioner loans were outstanding on that date.

From 1933 to 1935 almost 90 percent of Federal land bank and Commissioner loans made in Vermont were used to pay off old debts. Although the largest percentage of loans continues to be made for refinancing, since October 1, 1935, some 238 Vermont farmers and farm tenants have purchased farms, using \$598,900 credit obtained from the Federal Land Bank of Springfield and the Federal Farm Mortgage Corporation, which provides funds for Land Bank Commissioner loans, to finance the purchases. This includes the resale on credit terms of farms which had been acquired by these agencies.

The 3 production credit associations operating in the State have made 8,133 loans aggregating \$7,656,625 since their organization in 1933. These associations make loans for all types of short-term farm operations. Loans outstanding on December 31, totalled \$1,083,892.

The Springfield Bank for Cooperatives makes loans to farmers' marketing, purchasing, and farm business associations. On December 31, 1939, the Springfield Bank had loans outstanding to 4 Vermont cooperatives aggregating \$495,655.

In the United States as a whole, during the same period, individual farmers and their cooperative organizations obtained \$5,951,000,000 in loans and discounts from institutions under supervision of the Farm Credit Administration. Land bank loans outstanding on December 31, 1939, totalled \$1,905,000,000; Land Bank Commissioner loans, \$691,000,000; production credit associations numbering 528, in six years made 1,312,000 loans aggregating \$1,442,000,000; in the same period the 12 district banks for cooperatives and the Central Bank made 6,868 loans aggregating \$491,047,000.

Debt Adjustment

In Vermont 301 farmers, through the Farm Debt Adjustment Service of the Farm Security Administration, reduced their debts through agreement with their creditors by \$375,460 in the period September 1, 1935 to December 31, 1939, a debt reduction of 22.2 percent. As a result Vermont farmers have been able to pay \$16,497 in back taxes.

In the United States as a whole, 111,131 farmers reduced their debts by adjustments totalling \$84,942,798 or 23.7 percent, and as a result have been able to pay more than \$4,860,000 in back taxes.

Commodity Loans Protect Income

Corn and wheat loans serve to protect and stabilize farm income, help to stabilize market supplies and prices, and protect both consumers and producers against the calamity of crop failure.

In the United States as a whole, 70,000 wheat producers obtained loans on their 1938 crop, totalling about \$45,000,000 on 85,700,000 bushels of wheat, and about 235,000 producers stored 167,000,000 bushels of their 1939 crop under loans totalling about \$115,000,000.

Exports Aided

Two major export programs for wheat and cotton have assisted United States producers to retain their fair share of the world market. In the fiscal year which ended June 30, 1939 the first year of the wheat export program, 118 million bushels of wheat were sold for export. Of this amount, export of 94 million bushels was assisted directly by the export program. From July 1 through December 31, 1939 sales for export of approximately $24\frac{1}{2}$ million bushels of wheat and wheat in the form of flour were assisted by the continuing export programs.

How the wheat program has operated to improve the domestic wheat prices in the last year and a half is shown in the following: In August 1938 the average U. S. farm price was 34 cents under the Liverpool price. In August 1939, the U. S. price was about 3 cents above Liverpool. Since Liverpool is normally about 30 cents over the domestic farm price, this meant the U. S. farmer was receiving about 33 cents a bushel more for his wheat than if his price had been based on the world price.

Domestic Consumption Increased

Expanded domestic distribution and consumption of surplus farm products was brought about through two types of programs; direct purchase of commodities for distribution to needy families through State and welfare agencies, and the Food Order Stamp Plan which puts increased food buying power directly into the hands of low-income families.

In Vermont in the fiscal year ending June 30, 1939, 5,575,000 pounds of surplus foodstuffs were distributed by the Federal Surplus Commodities Corporation, compared with a total of 1,970,079,155 pounds distributed throughout the United States in the same period.

Commodities purchased in Vermont included 2,400 bushels of apples, 840,000 lbs. of dry skim milk, and 23,064,000 quarts of fluid milk.

Up to July 1, 1940, the Food Order Stamp Plan was in operation in Barre while others are to be added to the list.

PART TWO: CONSERVATION AND WISE USE OF AGRICULTURAL RESOURCES

Income improvement and conservation of natural resources have gone hand in hand in Vermont since 1933.

Under the first agricultural conservation program in 1936 about 5,900 Vermont farmers participated. Of the total cropland, about 34 percent, or 398,000 acres, was covered by applications for payments. A total of 7,009 acres was diverted from soil-depleting crops. Soil-building practices were put into effect on about 92,000 acres as follows: New seedings of legumes and legume mixtures, perennial grasses for pasture, and green manure crops -- 47,109 acres; fertilizer and lime applications -- 44,714 acres; and forest tree plantings -- 154 acres.

Vermont farmers have continued to participate actively in the A.A.A. programs. There were 6,522 payees in the 1937 program and 8,730 in the 1938 program. Applications for payments covered 477,656 acres, or 41 percent of the cropland in the State, under the 1937 program and 605,799 acres, or 53 percent of the cropland, under the 1938 program.

Soil-building practices were put into effect in the State as follows under the A.A.A. programs for 1937 and 1938:

	<u>Unit</u>	<u>1937</u>	<u>1938</u>
New seedings	acres	15,165	43,015
Green-manure and cover crops	acres	260	3,764
Mulching	tons	200	942
Forest tree practices	acres	1,062	20,247
Fertilizer and lime applications	tons	51,361	48,250
Seeding pasture mixtures	acres	--	197

In the United States as a whole, under the 1938 Agricultural Conservation Program, new seedings covered 30,075,000 acres and green-manure and cover crops 25,244,000 acres. Fertilizer and lime applications totalled 5,547,000 tons. Forest tree practices covered 197,000 acres and pasture practices about 2,205,000 acres. Protected summer fallow, strip cropping, contour farming, and listing were carried out on 15,990,000 acres. Terracing was carried out to the extent of 392,036,000 linear feet.

Soil Conservation Service Activities

In addition to the Agricultural Conservation Program, many Vermont farmers have signed five-year agreements with the Soil Conservation Service for complete programs of erosion control and good land management. As of December 31, 1939, 149 farms including 28,579 acres were operating under such agreements. This figure includes land in Soil Conservation projects, CCC camp soil conservation work areas, and farms planned cooperatively by the Soil Conservation Service and State Extension Service.

In the United States as a whole, a total of 48,267,000 acres of farm land in 82,000 farms were covered by 5-year contracts with the Soil Conservation Service up to June 30, 1939. Soil Conservation Service demonstration areas now include 68,847,000 acres. Soil Conservation Districts, numbering 217, covered a combined area of 120,000,000 acres of the Nation's 1,900,000,000 acres of land by January 1, 1940, with another 100 districts in process of organization. Within the 217 organized districts were 1,000,000 farms.

Approximately 8,600,000 acres of land unsuited to continued cropping have been purchased and developed for uses for which this land is better suited, principally forestry and grazing.

Forest Conservation and Reforestation

Approximately 92 percent of the 27,000 farms in Vermont contain woodland, and farm woodlands in the aggregate amount to 1,671,000 acres, or about 41 percent of the State's farm area.

Forest conservation and reforestation on both public and private lands in Vermont have been advancing rapidly from 1932 to 1940. Under the Clarke-McNary law, which provides for Federal-State cooperation in the production and distribution of trees, 476,065 trees were distributed for planting on farm lands during 1939. Extensive plantings of forest trees also are made on farm lands under agreement with the Soil Conservation Service.

The U. S. Forest Service administers 160,539 acres in the Green Mountain National Forest in Vermont. Under the provisions of the Weeks Law more than 100,000 low-producing acres have been purchased or approved for purchase by the National Forest Reservation Commission in 6 years. Through protection and careful management they are rapidly being restored to productivity.

During the fiscal year 1939 more than 100,000 people visited the Green Mountain National Forest for recreation purposes, many of them using the 7 developed camp grounds. 781,000 board feet of timber valued at \$3,105 were cut on this National Forest in the past fiscal year.

The total National Forest land successfully planted in Vermont is 843 acres.

In the United States as a whole, the national forest system now includes about 175 million acres in 40 States. More than 12 million acres have been purchased or approved for purchase for national forests since March 1933, about $2\frac{1}{2}$ times as much land as was purchased for national forests in the preceding 22 years. Approximately 125 million trees produced largely in Forest Service nurseries were planted during 1939 on 131,000 acres of national forest land.

In the Prairie States Forestry Shelterbelt Project of the Forest Service 125 million trees have been used in 11,000 miles of plantings and provide protection for about 3 million acres of land, in the Great Plains, where protection is especially needed.

About 314,000 trees were planted on farm lands in 1938 in the farm forestry program of the Soil Conservation Service, and 55 million trees were distributed for farm planting under Forest Service-State cooperation through the Clarke-McNary law.

Under the A.A.A. program in 1938 about 55,445 acres of farm land were planted to forest trees.

PART THREE: GREATER SECURITY AND BETTER LIVING ON THE LAND

Aside from the program designed to provide greater equality of income for agriculture as a whole, and nation-wide conservation practices, special attention has been given to more needy farm families requiring additional aid to become self-supporting. Special programs have been directed to low-income farmers suffering from such additional handicaps as drought, poor farming practices, worn-out or inadequate land, unsound tenure conditions, or overwhelming debt.

From 1935 to 1940 in Vermont, the Farm Security Administration aided 1,114 farm families with rural rehabilitation loans aggregating \$1,094,700 to enable them to get a new start and again become self-supporting.

By following complete farm and home management plans in 1939, 800 rehabilitation borrowers in Vermont had an average net income of \$929.93 per family as compared with \$683.58 in the year before they came to F. S. A. for help, an increase of 36 percent, and increased their average net worth over and above all debts by 29 percent in the same period. Thus these families had added \$438,880 to the wealth of their communities and increased their own annual incomes by a total of \$197,078. The typical rehabilitation family in Vermont has borrowed \$1,013.01 and already has repaid \$447.22. Vermont rehabilitation borrowers in 1939 produced \$188,128 worth of goods for home consumption, compared with \$134,808 worth before entering the Farm Security Administration program. In 1939 these families canned an average of 201 quarts of fruits and vegetables per family, for home consumption; produced an average of 386 gallons of milk per family; and an average of 94.8 tons of forage per family. Rehabilitation borrowers in Vermont are now operating an average of 183 acres, an increase of 19.4 acres since they came to the program. This increased acreage, while not adding materially to the production of commercial crops, has maintained a better diet for these families.

At the close of 1939, 170 Vermont families had received grants for emergency relief aggregating \$39,720.

Under the Bankhead-Jones Act loans for farm purchases were made to four tenant families in Vermont as of December 31, 1939, aggregating \$31,750.

In the United States as a whole, from 1935 to 1940, the Farm Security Administration aided approximately 800,000 farm families with rehabilitation loans. By following complete farm and home management plans, 360,000 of these borrowers covered by a survey in 1939 had increased their net worth over and above all debts by 26 percent, and their production of food for home consumption by 64%. The average borrower reported increasing his net worth by more than \$232.40 since coming into the program.

The Farm Security Administration has made rehabilitation loans totalling more than \$370,000,000 since 1935. Although these loans are usually made for a period of five years, and much of the money is not yet due, these farmers who could not get adequate credit from any other source already have repaid more than \$130,000,000 into the U. S. Treasury. Ultimately it is expected that at least 80 percent of these loans will be collected.

Under the Bankhead-Jones Act, loans for farm purchases were made to 6,678 tenant families by December 31, 1939.

Rural Electrification

By June 30, 1939, the Rural Electrification Administration had made allotments in Vermont aggregating \$142,000 for the construction of 104 miles of line to serve 636 farm families.

By June 30, 1939, 9,300, or 33.7 percent of the farms in the State, had central station service, compared with 7,945, or 29.3 percent having central station service before the R.E.A. began operations in 1935. This is a net increase of 1,355 farms or 17.1 percent.

There was 1 REA-financed rural electric system in the State by September 1, 1939.

In the United States as a whole, to the close of 1939, the Rural Electrification Administration of the Department of Agriculture has made total allotments of \$273,000,000 for the construction of 260,000 miles of line to serve 600,000 farm families. Already 400,000 farms have been connected to REA-sponsored lines, the greater majority of which are cooperatively managed. The number of electrified farms in the United States has more than doubled from 1935 to the present time. Approximately 25 percent of American farms were electrified by January 1, 1940, compared with 10.9 percent on January 1, 1935.

PART FOUR: STRENGTHENING DEMOCRACY THROUGH THE FARM PROGRAMS

Democracy has been both the end and the means of National Farm Programs from 1933 to the present. Through local committees, farmers have the responsibility for local administration.

About 6 million of the Nation's 6,800,000 farmers are participating in the Agricultural Conservation Program today. Participation in Vermont and in the United States since the AAA began in 1933 was as follows:

	<u>Vermont</u>	Number of contracts accepted by AAA		<u>United States</u>
1933	18		1933	1,625,912
1934	572		1934	3,105,110
1935	576		1935	3,399,779
1936 <u>1/</u>	- -		1936 <u>1/</u>	291,652

1/ Winter wheat and rye contracts made before January 6, 1936.

	<u>Vermont</u>	Number of payees under the Agricultural Con- servation Program	<u>United States</u>
1936	5,858		3,880,447
1937	6,522		3,743,904
1938	8,730		5,248,796
1939	12,903		5,764,200

The results of referendum votes among Vermont farmers show the demand for full application of the A.A.A. programs. Important referenda in which Vermont farmers participated were as follows:

<u>Nature of Referendum</u>	Date	: Votes of Partici- : pating Farmers : For : Against :		: Percent : For
Corn-hogs	Oct. 1934	235	104	69
Tobacco: cigar leaf	July 1935	24	1	96
Corn-hogs	Oct. 1935	179	75	70

In Vermont in 1940 there were 70 members and alternates of county A.A.A. committees and 598 members and alternates of community A.A.A. committees which administer the Agricultural Conservation Program locally. There were also 14 county committees of the Farm Security Administration in the State and 2 county tenant purchase committees. Cooperating with the Farm Credit Administration were 13 local National Farm Loan Associations and 3 Production Credit Associations.

Soil Conservation Districts are organized and developed under State laws by farmers, who have an opportunity to express their preferences both as to planning and operations within the District. By means of these Districts farmers can coordinate their efforts to control erosion thoroughly along watershed lines with technical assistance often being furnished by local, State and Federal agencies.

Land Use Planning by Farmers

Land Use Planning Committees study all agricultural problems, and how Federal, State, and local agricultural services can best be applied. Representative farm people and agricultural officials are members of both county and community planning committees. In this way farmers have a voice in planning what all public agricultural agencies will do in their communities.

In Vermont 14 county Land Use Planning Committees, with 476 farmer members, have been formed and others were expected to be organized in 1940.

In the United States as a whole, approximately 135,000 farmers served on A.A.A. committees; there were 2,907 Debt Adjustment Committees; 1,289 Tenant Purchase Committees; and approximately 1,500 committees for rehabilitation loans; about 3,700 active National Farm Loan Associations, and 528 Production Credit Associations; approximately 370 Soil Conservation Districts were either organized or in the process of organization.

There were approximately 19,000 farmers by the end of 1939 participating as members of county Land Use Planning Committees, and 65,000 as members of community Land Use Planning Committees.

